

VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2008

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

8/5/09

David Q. Richardson
Certified Public Accountant
P. O. Box 891
Tallulah, LA 71284-0891
318-574-0514

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DAVID Q. RICHARDSON

Certified Public Accountant

Post Office Box 891

Tallulah, Louisiana 71284

cpa2912@bellsouth.net

(318) 574-0514

(318) 574-0176

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Vicksburg-Tallulah District Airport Board
175 VTR Airport Rd.
Tallulah, LA 71282

I have audited the accompanying basic financial statements of the Vicksburg-Tallulah District Airport Board (a quasi governmental entity) as of and for the year ended December 31, 2008, as listed in the table of contents. These financial statements are the responsibility of the Vicksburg-Tallulah District Airport Board's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Vicksburg-Tallulah District Airport Board, as of December 31, 2008, and the result of its operations and the cash flows for the year ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued a report dated June 19, 2009, on my consideration of the Board's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

The Management's Discussion and Analysis and other required supplementary information on pages 3 through 5 and page 17, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

Independent Auditor's Report
Page Two

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the Board. The schedule of expenditures of federal awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Tallulah, Louisiana
June 19, 2009

A handwritten signature in black ink, appearing to read "David R. R. R.", is positioned to the right of the date and location text.

REQUIRED SUPPLEMENTARY INFORMATION

PART I

Management's Discussion and Analysis

December 31, 2008

As management of the Vicksburg-Tallulah District Airport Board (Board), we offer readers of the Board's financial statements this narrative overview and analysis of the financial activities of the Board for the year ended December 31, 2008.

Financial Highlights

The Board's net assets increased by \$2,155,171 in the year ended December 31, 2008. This increase was comprised of a \$50,104 increase in unrestricted assets and a \$2,105,067 increase in capital assets. During the year ended December 31, 2008, depreciation expense amounted to \$173,723, and \$2,278,790 of fixed assets were purchased.

During the year, the Board's revenue from business-type operations increased approximately \$224,763. This increase was primarily an increase in fuel sales. While revenues increased \$224,763, operating expenses increased \$266,164.

Overview of the Financial Statements

This discussion and analysis serves as an introduction to Vicksburg-Tallulah District Airport Board's basic financial statements. The Board's basic financial statements consist of four components:

1) Statement of Net Assets, 2) Statement of Activities, 3) Statement of Cash Flows, and 4) Notes to the Financial Statements.

Statement of Net Assets. This statement presents the Vicksburg-Tallulah District Airport Board's assets and liabilities, with the difference of assets and liabilities reported as net assets. The fluctuation in net assets can be used as an indication of whether the financial position of the Board is improving or deteriorating.

Statement of Activities. Consistent with the full accrual basis method of accounting, this statement accounts for current year revenues and expenses regardless of when cash is received or paid. The statement also exhibits the relationship of revenue and expenses with the changes in net assets.

Statement of Cash Flows. The statement of cash flows illustrates the cash inflows and outflows of the Vicksburg-Tallulah District Airport Board.

Notes to the Financial Statements. The accompanying notes provide additional information essential to a full understanding of the data provided in the basic financial statements.

REPORTING ON THE VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD AS A WHOLE

The following table reflects the condensed Statement of Net Assets:

CONDENSED STATEMENT OF NET ASSETS Years Ended December 31, 2008, and 2007

	2008	2007
Assets		
Current and other assets	\$1,278,501	\$ 269,418
Capital assets, net of accumulated depreciation	7,958,838	5,853,771
Total Assets	<u>9,237,339</u>	<u>6,123,189</u>
Liabilities		
Current and other liabilities	1,061,586	102,607
Net Assets		
Invested in capital assets, net of debt	7,958,838	5,853,771
Unrestricted	216,915	166,811
Total Net Assets	<u>\$8,175,753</u>	<u>\$ 6,020,582</u>

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the Vicksburg-Tallulah District Airport Board, assets exceed liabilities at the close of the fiscal year by \$8,175,753 and \$6,020,582 in 2007. Of these amounts \$7,958,838, or 97%, and \$5,853,771, or 97% of the total net assets, represent the investment of the Board in capital assets net of related debt. Net assets of \$216,915 for 2008, and \$166,811 for 2007, are technically unrestricted.

The following table reflects the condensed Statement of Activities:

CONDENSED STATEMENT OF ACTIVITIES Years Ended December 31, 2008, and 2007

	2008	2007
Revenues		
Program revenues		
Sales	\$ 727,760	\$ 511,219
Rental	70,937	66,271
Other	9,787	6,231
Other Revenues		
Intergovernmental	2,467,821	187,945
Interest earned	186	263
Total Revenues	<u>3,276,491</u>	<u>771,929</u>
Function/Program Expenses		
Fuel purchases	688,167	419,676
Depreciation	173,723	182,020
Payroll and related benefits	144,208	142,253
Other	115,222	111,207
Total Expenses	<u>1,121,320</u>	<u>855,156</u>
Increase (decrease) in net assets	2,155,171	(83,227)
Net assets - beginning	6,020,582	6,103,809
Net assets - ending	<u>\$8,175,753</u>	<u>\$ 6,020,582</u>

As indicated above, net assets increased by \$2,155,171. This increase is primarily due to grants used to construct a parallel taxiway.

Long-term debt. The Vicksburg-Tallulah District Airport Board does not have any long-term debt.

General Fund Budgetary Highlights

The Board's budget is prepared according to Louisiana law.

A budgetary comparison schedule showing the Vicksburg-Tallulah District Airport Board's originally adopted budget compared with actual operating results is provided in the report that follows.

Economic Factors and Next Year's Budgets

The Board considered many factors when setting the Airport's 2009 budget.

Revenues and expenditures of the Airport's funds are expected to remain fairly consistent with the 2008 fiscal year, with the exception of the parallel taxiway addition that was funded by the FAA and Louisiana Department of Transportation in 2008.

Requests for information

This financial report is designed to provide a general overview of the Vicksburg-Tallulah District Airport Board's finances for all those with an interest in the Board's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Vicksburg-Tallulah District Airport Board, 175 VTR Airport Road, Tallulah, LA 71282.

BASIC FINANCIAL STATEMENTS

VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
STATEMENT OF NET ASSETS - PROPRIETARY FUND
AS OF DECEMBER 31, 2008

Assets

Current Assets

Cash and cash equivalents	\$ 309,713
Accounts receivable	936,146
Inventory	18,590
Prepaid expenses	14,052
Total Current Assets	<u>1,278,501</u>

Non-Current Assets

Capital assets, net of accumulated depreciation	<u>7,958,838</u>
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Total Assets	<u>9,237,339</u>
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Liabilities and Net Assets

Liabilities

Accounts payable	1,056,437
Payroll tax liabilities	5,149
Total Liabilities	<u>1,061,586</u>

Net Assets

Invested in capital assets	7,958,838
Unrestricted	<u>216,915</u>

Total Net Assets	<u><u>\$ 8,175,753</u></u>
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The accompanying notes are an integral part of this financial statement.

VICKSBURG - TALLULAH DISTRICT AIRPORT BOARD
STATEMENT OF ACTIVITIES - PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Enterprise</u>
Operating Revenues	
Fuel sales	\$ 727,760
Hangar and property leases	70,937
Miscellaneous	<u>9,787</u>
Total operating revenues	<u>808,484</u>
Operating Expenses	
Fuel purchases and expenses	688,167
Repairs and maintenance	8,039
Payroll and related benefits	144,208
Depreciation	173,723
Insurance	27,658
Office	25,765
Utilities	31,060
Contract services	20,407
Materials and supplies	<u>2,293</u>
Total operating expenses	<u>1,121,320</u>
Income (Loss) From Operations	<u>(312,836)</u>
Non Operating Revenue (Expenses)	
FAA grants	2,079,346
Interest income	186
LADOTD	<u>145,073</u>
Total non operating revenue	<u>2,224,605</u>
Gain Before Contributions	1,911,769
Capital Contributions From Other Governments (Partners)	<u>243,402</u>
Change in Net Assets	2,155,171
Net Assets at Beginning of Year	<u>6,020,582</u>
Net Assets at End of Year	<u><u>\$ 8,175,753</u></u>

The accompanying notes are an integral part of this financial statement.

VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from customers	\$ 807,718
Cash paid for fuel purchases	(660,394)
Cash paid for employee services	(141,903)
Cash paid for other costs	<u>(119,155)</u>

Net cash provided (used) by operating activities (113,734)

CASH FLOWS FROM INVESTING ACTIVITIES:

Interest income	<u>186</u>
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CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

FAA and LADOTD grants	1,303,789
Capital contributions from partners	264,922
Purchases of capital assets	<u>(1,311,811)</u>
Net cash provided by capital and related financing activities	<u>256,900</u>

Net increase in cash and cash equivalents 143,352

Cash and cash equivalents, beginning of year 166,361

Cash and cash equivalents, end of year \$ 309,713

RECONCILIATION OF OPERATING INCOME TO NET CASH
PROVIDED BY OPERATING ACTIVITIES:

Cash flows from operating activities:

Income (loss) from operations	\$ (312,836)
Adjustments to reconcile income from operations to net cash provided by operating activities:	
Depreciation	173,723
(Increase) decrease in:	
Accounts receivable - trade	(766)
Inventory	30,573
Prepaid expenses	3,572
Increase (decrease) in:	
Trade accounts payable and payroll taxes	<u>(8,000)</u>

NET CASH PROVIDED BY OPERATING ACTIVITIES \$ (113,734)

The accompanying notes are an integral part of this financial statement.

NOTES TO THE FINANCIAL STATEMENTS

VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 1 - ORGANIZATION AND OPERATION

The Airport Board was created in an effort between Mississippi and Louisiana, comprised of the City of Vicksburg, Mississippi; the City of Tallulah, Louisiana; Madison Parish, Louisiana Police Jury; and the Warren County, Mississippi Board of Supervisors. The Airport Board is responsible for construction and management of the Vicksburg-Tallulah Airport. The Airport is considered a quasi-public entity because a majority of the governing body is appointed by or authorized to be appointed by a government or individual governmental official as part of his official duties. Members of the board are appointed by the respective City, Parish, or County. Each area is designated a specific number of members to appoint. Presently there are five board members. Intergovernmental revenues and participating revenues are provided by these four entities or the State of Louisiana on behalf of the two Louisiana members. The Airport is located in Mound, Louisiana.

The entities above created a regional airport authority pursuant to the regulations of Mississippi and Louisiana acting by and through the Louisiana Department of Transportation and Development, Office of Aviation and Public Transportation.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of certain significant accounting policies and practices:

A) Fund Accounting

The Vicksburg-Tallulah District Airport Board is organized and operated on a fund basis whereby a self-balancing set of accounts (Enterprise Fund) is maintained that comprises its assets, liabilities, net assets, revenues, and expenses. The operations are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the cost (expenses, including depreciation) of providing services on a continuing basis be financed primarily through user charges.

B) Net Assets

The Vicksburg-Tallulah District Airport Board resources are classified for accounting and reporting purposes into the following two net asset categories:

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

Unrestricted net assets consist of net assets which do not meet the definition of the preceding category. Unrestricted net assets often have constraints on resources which are imposed by management, but can be removed or modified.

VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt proceeds used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use by external parties such as creditors, grantors, laws or regulations of other governments.

C) Cash and Cash Equivalents

Cash includes amounts in demand deposits. Under state law, the Board may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principle offices in Louisiana. Certificates of deposits are classified as investments if their maturities exceed 90 days. However, if the original maturities are 90 days or less, they are classified as cash equivalents.

D) Inventory

Inventory is valued at the lower of cost or market using the first-in, first-out method.

E) Capital Assets

Under GASB Statement No. 34, capital assets, which include buildings, other improvements, machinery and equipment, vehicles, and furniture and fixtures, are reported and depreciated in the applicable government or business-type activities column of the governmental-wide financial statements.

All purchased capital assets are recorded at cost. Donated capital assets are valued at fair market value at date of gift. Major additions are capitalized while maintenance and repairs that do not improve or extend the life of the respective assets are charged to expense. Interest is capitalized on funds used during the construction of projects acquired with bond funds.

Capital assets are depreciated over the estimated useful lives of the assets using the straight-line method. Estimated useful lives are as follows:

Terminal building	45 years
Airport facilities, runway, etc.	45 years
Localizer	45 years
Office, furniture, fixtures, and equipment	5 to 15 years
Equipment	10 to 20 years
Vehicles	5 years
Hangars	20 years

**VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

F) Bad Debts

The Board uses the allowance method for recognizing bad debts. The Board has not had any bad debts in several years and believes that all current receivables are collectible; therefore, no allowance for bad debts has been established in these financial statements.

G) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

H) Budgetary Practices

The Vicksburg-Tallulah District Airport Board has the following budgetary practices:

The annual budget is adopted using the prior years revenues and expenditures and current price levels as a guide. The Board budgets the expected operating results without considering depreciation expense. The budget presented in the accompanying financial statements is shown without the current year's depreciation expense.

NOTE 3 - CASH

As reflected in the Financial Statements, the Vicksburg-Tallulah District Airport Board had cash and cash equivalents totaling \$309,713, at December 31, 2008. The bank balances at December 31, 2008, were \$313,954, of which \$129,424 was insured from loss by FDIC insurance and \$184,530 was secured by the pledge of securities. Cash and investments are stated at cost which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on the deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 3 - CASH (cont.)

At December 31, 2008, the Board had cash and cash equivalent deposits as follows:

Petty cash	\$ 150
Demand deposits	30,998
Interest bearing demand deposits	278,565
Total	<u>\$ 309,713</u>

NOTE 4 - ACCOUNTS RECEIVABLE

Accounts receivable is comprised of the following:

FAA	\$ 876,896
Local entities	8,528
Louisiana DOTD	46,310
Trade	4,412
Total	<u>\$ 936,146</u>

All amounts are considered collectible by the Board.

NOTE 5 - CHANGES IN CAPITAL ASSETS

The changes in capital assets are as follows:

	Balance 01/01/08	Addition	Deduction	Balance 12/31/08
Land	\$ 364,958	\$ -	\$ -	\$ 364,958
Airport facilities	6,319,916	15,039	-	6,334,955
Airport equipment	179,586	40,532	-	220,098
Terminal building	238,670	-	-	238,670
Fuel trucks	115,450	-	-	115,450
Fuel farm	190,650	-	-	190,650
T-Hangars	160,549	-	-	160,549
Office furniture and equipment	8,590	-	-	8,590
Vehicles	12,657	-	-	12,657
Construction in progress:				
Parallel taxiway	51,522	2,186,563	-	2,238,085
T-Hanger	-	36,656	-	36,656
	<u>7,642,528</u>	<u>2,278,790</u>	<u>-</u>	<u>9,921,318</u>
Less: Accumulated depreciation	<u>(1,788,757)</u>	<u>(173,723)</u>	<u>-</u>	<u>(1,962,480)</u>
Total	<u>\$5,853,771</u>	<u>\$2,105,067</u>	<u>\$ -</u>	<u>\$7,958,838</u>

**VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

NOTE 6 - CONTINGENCY

The Airport Authority receives Federal and State monies for specific purposes that are subject to review and audit by Federal and State agencies. Such audits could result in request for reimbursement by the grantor agency for expenditures disallowed under the terms and conditions of the appropriate agency. Management believes that expenditures disallowed would be insignificant, if any at all.

NOTE 7 - HANGAR AND PROPERTY LEASES

The Airport leases hangars and property. The property leases are for a period of twenty years, whereas hangar leases generally are for annual periods and can be cancelled with a 30 day notice. Annual rental to be collected on property leases for each of the next five years is \$43,640. The hangars have a cost of \$160,549 with related accumulated depreciation of \$99,887 at December 31, 2008. The property leased is a portion of the total airport land.

NOTE 8 - RISK MANAGEMENT

The Airport is exposed to various risks of loss to torts; theft of, damage to, and destruction of assets; error and omissions; and natural disasters for which the airport carries commercial insurance. No claims were paid on any of the policies during the past three years. There was no reduction in insurance coverage during the year ended December 31, 2008.

REQUIRED SUPPLEMENTAL INFORMATION

PART II

VICKSBURG - TALLULAH DISTRICT AIRPORT BOARD
 STATEMENT OF ACTIVITIES - PROPRIETY FUND
 BUDGET AND ACTUAL (BUDGET BASIS)
 FOR THE YEAR ENDED DECEMBER 31, 2008

	Budget	Actual	Favorable/ (Unfavorable) Variation
Revenue			
Fuel fund sales	\$ 510,888	\$ 727,760	\$ 216,872
Hanger and property lease	65,030	70,937	5,907
Income from partners	210,359	243,402	33,043
Other	2,500	9,973	7,473
Total revenue	<u>788,777</u>	<u>1,052,072</u>	<u>263,295</u>
Expenses			
Fuel purchase and expense	390,480	688,167	(297,687)
Payroll and related benefits	145,124	144,208	916
Insurance	25,473	27,658	(2,185)
Office	39,100	25,765	13,335
Utilities	32,145	31,060	1,085
Contact services	10,080	20,407	(10,327)
Material and supplies	16,875	2,293	14,582
Repair and maintenance	27,000	8,039	18,961
Total expense	<u>686,277</u>	<u>947,597</u>	<u>(261,320)</u>
Net Income (Loss)	<u>\$ 102,500</u>	<u>104,475</u>	<u>\$ 1,975</u>
Adjustments			
FAA and LADOTD grants		2,224,419	
Depreciation expense		<u>(173,723)</u>	
Change in net assets (GAAP Basic)		2,155,171	
Net assets at beginning of year		<u>6,020,582</u>	
Net assets at end of year		<u>\$8,175,753</u>	

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

DAVID Q. RICHARDSON

Certified Public Accountant

Post Office Box 891

Tallulah, Louisiana 71284

cpa2912@bellsouth.net

(318) 574-0514

(318) 574-0176

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Vicksburg-Tallulah District Airport Board
175 VTR Airport Rd.
Tallulah, LA 71282

I have audited the basic financial statements of the Vicksburg-Tallulah District Airport Board, as of and for the year ended December 31, 2008, and have issued my report thereon dated June 19, 2009. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Vicksburg-Tallulah District Airport Board's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Vicksburg-Tallulah District Airport Board's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Vicksburg - Tallulah District Airport Board's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Vicksburg-Tallulah District Airport Board's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Vicksburg-Tallulah District Airport Board's financial statements that is more than inconsequential will not be prevented or detected by the Vicksburg-Tallulah District Airport Board's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Vicksburg-Tallulah District Airport Board's internal control.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Board of Directors
Vicksburg-Tallulah District Airport Board

Page Two

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Vicksburg-Tallulah District Airport Board's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of the Board, management, Federal Aviation Administration and applicable State Auditors and is not intended to be and should not be used by anyone other than the specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Tallulah, Louisiana
June 19, 2009



VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
SUMMARY SCHEDULE OF CURRENT YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2008

A. SUMMARY OF AUDIT REPORTS

SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

1. Type of auditors' report issued.	Unqualified
2. Internal control over financial reporting:	
a) Material weaknesses identified?	None
b) Reportable conditions identified not considered to be material weaknesses?	None
c) Noncompliance material to the financial statements noted?	None

VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2008

There were no prior audit findings and no management letter comments.

DAVID Q. RICHARDSON

Certified Public Accountant

Post Office Box 891

Tallulah, Louisiana 71284

cpa2912@bellsouth.net

(318) 574-0514

(318) 574-0176

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Directors
Vicksburg-Tallulah District Airport Board
175 VTR Airport Road
Tallulah, LA 71282

Compliance

I have audited the compliance of Vicksburg-Tallulah District Airport Board with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2008. Vicksburg-Tallulah District Airport Board's major federal award program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of Vicksburg-Tallulah District Airport Board's management. My responsibility is to express an opinion on Vicksburg-Tallulah District Airport Board's compliance based on our audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States, and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and *OMB Circular A-133* require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Vicksburg-Tallulah District Airport Board's compliance with those requirements and performing such procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on Vicksburg-Tallulah District Airport Board's compliance with those requirements.

In my opinion, Vicksburg-Tallulah District Airport Board complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2008.

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Internal Control Over Compliance

The management of Vicksburg-Tallulah District Airport Board is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered Vicksburg-Tallulah District Airport Board's internal control over compliance with requirements that could have a direct and material effect on its major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Board's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Commissioners, management, the Louisiana Legislative Auditor, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Tallulah, Louisiana
June 19, 2009



VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2008

Cash Federal Awards	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor No.</u>	<u>Grant Number</u>	<u>Expenditures</u>
United States Department of Transportation - Federal Aviation Administration	20.106	N/A	3-22-0084-008-2007	\$ 12,069
United States Department of Transportation - Federal Aviation Administration	20.106	N/A	3-22-0084-009-2008	1,868,390
United States Department of Transportation - Federal Aviation Administration	20.106	N/A	3-22-0084-010-2008	<u>195,889</u>
Total Federal Awards				<u><u>\$ 2,076,348</u></u>

VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2008

Note 1 - General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Vicksburg-Tallulah District Airport Board. The Board's reporting entity is defined in Note 1 to the Board's financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included in the schedule.

Note 2 - Basis of Accounting

The accompanying schedule of expenditures of federal awards is prepared on the accrual basis of accounting.

Note 3 - relationship to Basic Financial Statements

Federal awards revenues are reported in the Board's financial statements as follows:

Capital Projects	<u>\$ 2,076,348</u>
Total	<u><u>\$ 2,076,348</u></u>

Note 4 - Relationship to Federal Financial Reports

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports.